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Lafayette, Louisiana
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Honorable James H. Welsh
Commissioner of Conservation
Office of Conservation
Post Office Box 94275
Baton Rouge, LA 70804-4275

Re: Germany Sand, Reservoir A
Iberia Field
Iberia Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of **DENBURY RESOURCES, INC.** for the calling of a public hearing, after ten (10) days legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating to the Germany Sand, Reservoir A, in Iberia Field, Iberia Parish, Louisiana for which rules and regulations were established and a single drilling and production unit was created for the exploration for and production of oil and gas and gas and condensate by the 860-L Series of Office of Conservation Orders, said unit being designated GERMANY RA SUA:

1. To permit the applicant to drill, designate and utilize its Albert Decuir et al 17 No. 1 Well as substitute unit well for the GERMANY RA SUA, said well located as shown on the plat attached hereto, in exception to the spacing provisions of 860-L Series of Office of Conservation Orders and Statewide Order No. 29-E.
2. To find that the proposed substitute unit well at an exceptional location is necessary to efficiently and economically drain a portion of the reservoir covered by the unit in which it is situated which cannot be so drained by any existing well within such unit.
3. To designate the existing unit well, the Denbury Resources, Inc. – Duhe No. 72 Well, as alternate unit well for the GERMANY RA SUA.
4. To confirm and continue in effect the existing alternate unit well for the GERMANY RA SUA.

5. To permit the operator to produce the unit allowable from the proposed substitute unit well or the proposed alternate unit well, in any combination thereof, at the operator's discretion.
6. To provide that the Commissioner of Conservation should be authorized to reclassify the Germany Sand, Reservoir A, in Iberia Field by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation.
7. Except to the extent contrary herewith, to continue in full force and effect the provisions of the 860-L Series of Office of Conservation Orders, the unit created thereby, and applicable Statewide Orders.
8. To consider such other matters as may be pertinent.

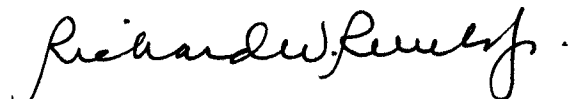
The Germany Sand, Reservoir A, in Iberia Field, Iberia Parish, Louisiana, was previously defined in Office of Conservation Order No. 860-L, effective May 1, 1976.

The existing unit well (and proposed alternate unit well) is presently shut in, and the unit has been off production for some time. In the applicant's opinion, the proposed substitute unit well is necessary to efficiently and economically drain the reservoir. The applicant is therefore requesting permission to drill, designate and utilize its Decuir et al 17 No. 1 Well as substitute unit well for the GERMANY RA SUA, in exception to the spacing provisions of the 860-L Series of Office of Conservation Orders and Statewide Order No. 29-E.

Attached hereto and made a part hereof is a plat outlining the applicant's proposals and a list of the names and addresses of the Interested Owners, Represented Parties and Interested Parties to whom a copy of this pre-application notice is being sent. Pursuant to the Revised Rules of Procedure, the list of parties is being furnished only to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, the list of parties will be provided to any party requesting a copy of it. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Interested Parties and Represented Parties.

Finally, enclosed is our check on behalf of the applicant, in the amount of \$755.00, **made payable to the Office of Conservation** representing the required hearing application fee.

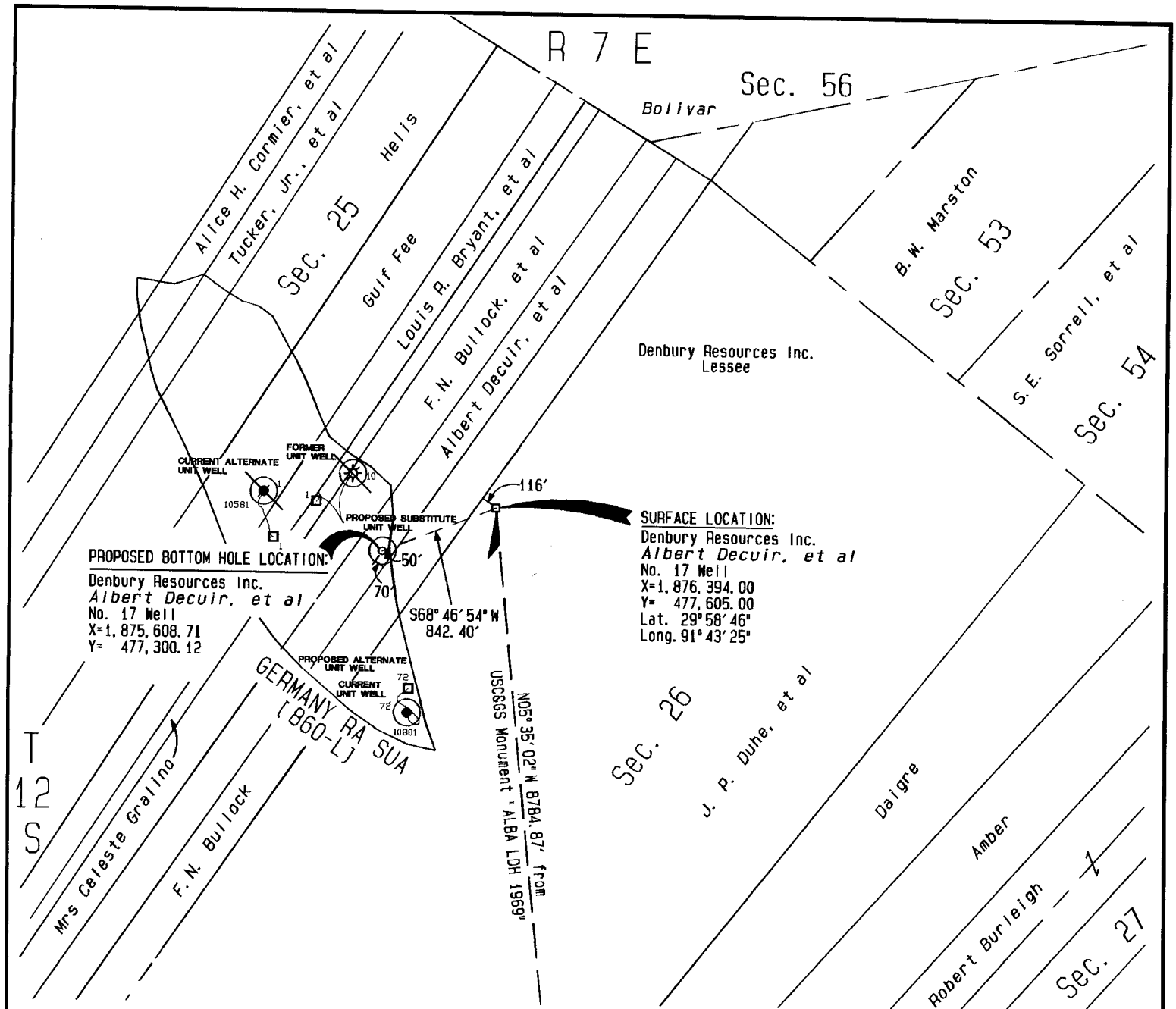
Very truly yours,



Richard W. Revels, Jr.

RWRjr/dbf
Enclosures

cc: Mr. Richard Hudson, Lafayette District Office of Conservation
cc: Interested Owners, Represented Parties and Interested Parties



PROPOSED BOTTOM HOLE LOCATION:

Denbury Resources Inc.
 Albert Decuir, et al
 No. 17 Well
 X=1,875,608.71
 Y=477,300.12

SURFACE LOCATION:

Denbury Resources Inc.
 Albert Decuir, et al
 No. 17 Well
 X=1,876,394.00
 Y=477,605.00
 Lat. 29°58'46"
 Long. 91°43'25"

Denbury Resources Inc. - Albert Decuir, et al No. 17 Well

Prepared April 1, 2002 as follows:

SURFACE LOCATION being N05°35'02"W 8,784.87'
 from USC&GS Monument "ALBA LDH 1969", located in
 Section 26, T12S-R7E, Iberia Parish, Louisiana.
 PROPOSED BOTTOM HOLE LOCATION to be S68°46'54"W
 842.40' from Surface Location, located in
 Section 25, T12S-R7E, Iberia Parish, Louisiana.

No residential or commercial structures exist
 within a 500' radius of the proposed well
 location on April 1, 2002.

Albert Decuir, et al No. 17 Well
 Section 26, T12S-R7E

EXHIBIT NO.
 DOCKET NO. 03

DENBURY RESOURCES, INC.

IBERIA FIELD
 IBERIA PARISH, LOUISIANA

**PROPOSED ALTERNATE
 UNIT WELL**

**PROPOSED SUBSTITUTE
 UNIT WELL**

Geology By: David Comeaux

0' 1000' 2000'

DATE:

LEON E. COMEAUX & ASSOC. GEOLOGISTS